

Essex Pension Fund Business Plan 2016/17

Governance

Objectives:

- Provide a high quality service whilst maintaining value for money
- Ensure the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise
- Evolve and look for new opportunities that may be beneficial for our stakeholders, particularly the Fund's beneficiaries, ensuring efficiency at all times
- Act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and well based
- Understand and monitor risk and compliance
- Continually measure and monitor success against our objectives

Action	How will this be achieved?	Officer managing action*	Progress as at July 2016
1. Annual business plan will be put in place.	Proposed business plan actions will be presented to 16 March 2016 Board for approval	DfEPF & HoEPF	Complete
2. Further roll out of training and training needs assessments	Training & training needs assessments will continue in 2016/17. Specific provision will be made for any new Board Members.	IGAA	Training & training needs assessments will continue in 2016/17

Action	How will this be achieved?	Officer managing action*	Progress as at July 2016
3. Board members' knowledge centre	A web based facility for Members is in place.	HoEPF	Further infoBOARD training will take place during 2016/17
4. Annual review of governance policy	Review governance policy to ensure it is relevant and up to date, including the governance compliance statement.	DfEPF, HoEPF & IGAA	In progress. A separate report on this matter appears elsewhere on the 13 July 2016 agenda.
5. Annual review of Pension Fund Board	Review the effectiveness of the Pension Fund Board and the services supplied to it	GTM and IGAA	A review is planned for 2016/17 to coincide with the review of the PAB

Investments

Objectives:

- To maximise the returns from investments within reasonable risk parameters
- To ensure the Fund is properly managed
- Ensure investment issues are communicated appropriately to the Fund's stakeholders

Action	How will this be achieved?	Officer managing action*	Progress as at July 2016
6. Review of asset allocation	Review of asset allocation as part of the strategy & structure deliberations at the ISC strategy meetings.	DfEPF	In progress. A strategy review took place in June 2016. A strategy & structure review is scheduled for February 2017.
7. Implement any review of investment allocation arrangement.	Implement the decisions taken at the July 2015 ISC strategy meeting.	DfEPF	Any asset allocation decisions made by the ISC will be implemented as required.
8. To review investment management fees	Ensure that fee monitoring arrangements form part of the annual review of performance.	DfEPF	A review will take place at the February 2017 ISC strategy meeting

Action	How will this be achieved?	Officer managing action*	Progress as at July 2016
9. Review the Statement of Investment Principles (SIP)/Investment Strategy Statement (ISS)	<p>An annual review will take place.</p> <p>The SIP is expected to be replaced by an ISS during 2016/2017, with a 1 April 2017 deadline expect for the publication of the first ISS.</p>	DfEPF	The Fund's first ISS will be considered by the ISC later in 2016/17.
10. Procurement of Institutional Investment Consultants(IIC)	The current arrangement ceases in December 2016. The ISC will consider its approach to this matter in 2016		Scheduled to commence in late 2016
11. Respond to the requirements of LGPS structural reform process	Developments in relation to LGPS structural reform will be monitored	DfEPF	In progress – A separate report on this matter appears elsewhere on the 13 July 2016 agenda
12. Review of Global Custodian	A review of the global custody arrangements has been commissioned.	DfEPF	Complete. This matter was considered by the ISC at its meeting on 21 June 2016.

Funding

Objectives

- Within reasonable risk parameters, to achieve and then maintain assets equal to 100% of liabilities in the timescales determined in the Funding Strategy Statement
- To recognise in drawing up its funding strategy the desirability of employer contribution rates that are as stable as possible
- To have consistency between the investment strategy and funding strategy
- To manage employers' liabilities effectively, having due consideration of each employer's strength of covenant, by the adoption of employer specific funding objectives
- Maintain liquidity in order to meet projected net cash-flow outgoings
- Minimise unrecoverable debt on termination of employer participation

Action	How will this be achieved?	Officer managing action*	Progress as at July 2016
13. Actuarial Valuation as at 31 March 2016	A triennial valuation will be commissioned from the Fund Actuary.	DfEPF and HoEPF	In progress. A separate report on this matter appears elsewhere on the 13 July 2016 agenda.
14. Review Funding Strategy Statement	Consideration will be given to whether the Funding Strategy requires review in the light of the results of the Interim Review as at 31 March 2015.	DfEPF and HoEPF	In progress. A separate report on this matter appears elsewhere on the 13 July 2016 agenda.
15. Employer participation	Employer participation and membership of the Essex Pension Fund will be monitored on an on-going basis.	DfEPF and HoEPF	Employer participation will be reviewed in line with the 2016 triennial valuation.

Administration

Objectives:

- Deliver a high quality, friendly and informative service to all beneficiaries, potential beneficiaries and employers at the point of need
- Ensure benefits are paid to, and income collected from, the right people at the right time in the right amount
- Data is protected to ensure security and authorised use only

Action	How will this be achieved	Officer managing action*	Progress as at July 2016
16. Complete the annual end of year data exercise as at 31 March	Complete year end accounting, gather information from employer and update UPM, and produce annual benefit statements.	HoEPF	In progress. A separate item on this matter appears elsewhere on the 13 July 2016 agenda.
17. Administration Strategy	The Administration Strategy will be monitored during 2015/16	HoEPF	The Administration Strategy will continue to be monitored during 2016/17.
18. Auto Enrolment – Work based Pensions	Monitor developments and maintain dialogue with Pension Fund employers throughout the process of auto enrolment implementation. (Staggered staging dates apply to all employers – depending on size – between 2012 and 2017)	HoEPF	Auto- enrolment will continue to be monitored during 2016/17.

Action	How will this be achieved	Officer managing action*	Progress as at July 2016
19. Implementation of new administration system	The second phase including “ <i>employer online</i> ” is scheduled to commence in 2015/16	HoEPF	<p>Phase 2 modules implemented during this year are the newly required GMP module, barcoding to enable streamlined scanning of documents and bulk data importing.</p> <p><i>Employer online</i> is currently live at two employer test sites.</p>
20. Review of staffing structure	A review is scheduled to finalise during 2015/16.		The review will finalise during 2016/2017
21. Confirmation of GMP entitlement	Confirming the GMP (Guaranteed Minimum Pension) element of all scheme members’ entitlement is required to be completed by 2017/18	HoEPF	<p>This project will continue throughout 2016/17.</p> <p>The current deadline for the completion of this project is 31 March 2018.</p>

Communications

Objectives:

- Communicate in a friendly, expert and direct way to our stakeholders, treating all our stakeholders equally
- Ensure our communications are simple, relevant and have impact
- Deliver information in a way that suits all types of stakeholder
- Aim for full appreciation of the pension scheme benefits and changes to the scheme by all scheme members, prospective scheme members and employers

Action	How will this be achieved?	Officer managing action*	Progress as at July 2016
22. Monitor Communications Policy	The communications policy will be monitored during 2014/2015	HoEPF & CM	In progress: A separate item on this matter appears elsewhere on the agenda.
23. Communication GMP entitlement	A communication will be sent to all affected scheme members confirming the GMP (Guaranteed Minimum Pension) element of their Pension entitlement.	HoEPF & CM	In progress: The current deadline for the completion of this project is 31 March 2018.

Key:

DfEPF: Director for Essex Pension Fund

HoEPF: Head of Essex Pension Fund

GTM: Governance Team Manager

IGAA: Independent Governance & Administration Adviser

CM: Communications Manager